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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-928]

Uncovered Innerspring Units from the People's Republic of China: Affirmative Final Determination of Circumvention of the Antidumping Duty Order

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: On October 23, 2015, the Department of Commerce (“the Department”) published the affirmative preliminary determination of circumvention of the antidumping duty order on uncovered innerspring units (“innerspring units”) from the People's Republic of China (“PRC”).<sup>1</sup> The Department invited interested parties to comment on the *Preliminary Determination*. No parties commented. Accordingly, our *Preliminary Determination* remains unchanged in this final determination.

EFFECTIVE DATE: (Insert date of publication in the *Federal Register*.)

FOR FURTHER INFORMATION CONTACT: Susan Pulongbarit, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4031.

SUPPLEMENTARY INFORMATION:

Background

On October 23, 2015, the Department published the *Preliminary Determination* finding that innerspring units completed or assembled in Malaysia by Goldon Bedding Manufacturing Sdn. Bhd. (“Goldon”) using components from the PRC, and exported to the United States, are

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<sup>1</sup> See *Uncovered Innerspring Units from the People's Republic of China: Affirmative Preliminary Determination of Circumvention of the Antidumping Duty Order*, 80 FR 64392 (October 23, 2015) (“*Preliminary Determination*”).

circumventing the antidumping duty order on innerspring units from the PRC,<sup>2</sup> as provided in section 781(b) of the Tariff Act of 1930, as amended (“the Act”). We invited interested parties to comment on the *Preliminary Determination*, but no comments were received.

#### Scope of the Antidumping Duty Order

The merchandise subject to the order is uncovered innerspring units composed of a series of individual metal springs joined together in sizes corresponding to the sizes of adult mattresses (e.g., twin, twin long, full, full long, queen, California king, and king) and units used in smaller constructions, such as crib and youth mattresses. All uncovered innerspring units are included in the scope regardless of width and length. Included within this definition are innersprings typically ranging from 30.5 inches to 76 inches in width and 68 inches to 84 inches in length. Innersprings for crib mattresses typically range from 25 inches to 27 inches in width and 50 inches to 52 inches in length.

Uncovered innerspring units are suitable for use as the innerspring component in the manufacture of innerspring mattresses, including mattresses that incorporate a foam encasement around the innerspring. Pocketed and non-pocketed innerspring units are included in this definition. Non-pocketed innersprings are typically joined together with helical wire and border rods. Non-pocketed innersprings are included in this definition regardless of whether they have border rods attached to the perimeter of the innerspring. Pocketed innersprings are individual coils covered by a “pocket” or “sock” of a nonwoven synthetic material or woven material and then glued together in a linear fashion.

Uncovered innersprings are classified under subheading 9404.29.9010 and have also been classified under subheadings 9404.10.0000, 7326.20.0070, 7320.20.5010, or 7320.90.5010 of the Harmonized Tariff Schedule of the United States (“HTSUS”). The HTSUS subheadings are

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<sup>2</sup> *Id.*

provided for convenience and customs purposes only; the written description of the scope of the order is dispositive.

#### Scope of the Anticircumvention Inquiry

The products covered by this inquiry are innerspring units, as described above, that are manufactured in Malaysia by Goldon with PRC-origin components and other direct materials, such as helical wires, and that are subsequently exported from Malaysia to the United States.

#### Final Determination

In the *Preliminary Determination*, the Department found, on the basis of adverse facts available, that innerspring units completed and assembled in Malaysia by Goldon using components from the PRC and exported from Malaysia to the United States are circumventing the *PRC Innerspring Units Order*,<sup>3</sup> pursuant to section 781(b) of the Act. Moreover, because we are unable to distinguish between those innerspring units Goldon is exporting to the United States which contain PRC-origin components and those that do not, the Department preliminarily determined that it is appropriate to instruct U.S. Customs and Border Protection (“CBP”) to suspend liquidation of all entries of innerspring units produced in and/or exported from Malaysia by Goldon as subject to the *PRC Innerspring Units Order*.<sup>4</sup>

Because no party provided any additional information or comments regarding our *Preliminary Determination*, our final determination remains unchanged from our *Preliminary Determination*. Accordingly, the Department continues to determine that Goldon’s merchandise

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<sup>3</sup> See *Uncovered Innerspring Units from the People’s Republic of China: Notice of Antidumping Duty Order*, 74 FR 7661 (February 19, 2009) (“*PRC Innerspring Units Order*”).

<sup>4</sup> For a complete discussion of our findings in the preliminary determination, see Memorandum to Ronald K. Lorentzen, Acting Assistant Secretary for Enforcement and Compliance from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, entitled “Anticircumvention Inquiry Regarding the Antidumping Duty Order on Uncovered Innerspring Units from the People’s Republic of China: Preliminary Determination Memorandum for Goldon Bedding Manufacturing Sdn. Bhd., dated October 19, 2015 (“Preliminary Decision Memorandum”). The signed Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>.

is circumventing the *PRC Innerspring Units Order* within the meaning of section 781(b) of the Act and that it is appropriate to continue to instruct CBP to suspend all entries of innerspring units from Malaysia produced by Goldon. If Goldon would like to be reviewed under the PRC Innerspring Units Order, it must request a review of its exports. In such a review, the Department would determine Goldon's antidumping margin. Should the Department conduct an administrative review, and determine in the context of that review that Goldon did not produce for export innerspring units using PRC-origin innerspring components, the Department will consider initiating a changed circumstances review pursuant to section 751(b) of the Act to determine if the continued suspension of all innerspring units produced by Goldon is warranted.

#### Continuation of Suspension of Liquidation

In accordance with section 781(b) of the Act and 19 CFR 351.225(1)(3), the Department will continue to direct CBP to suspend liquidation and to require a cash deposit of estimated duties at the rate applicable to the exporter on all unliquidated entries of innerspring units from produced in and/or exported from Malaysia by Goldon that were entered, or withdrawn from warehouse, for consumption on or after December 22, 2014, the date of initiation of the anticircumvention inquiry.<sup>5</sup>

#### Notice to Parties

This notice serves as the only reminder to parties subject to the administrative protective order ("APO") of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely written notification of the return or destruction of APO materials, or conversion to judicial protective

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<sup>5</sup> See *Uncovered Innerspring Units from the People's Republic China: Initiation of Anticircumvention Inquiry on Antidumping Duty Order*, 79 FR 78792 (December 31, 2014).

order, is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

This final affirmative circumvention determination is published in accordance with section 781(b) of the Act and 19 CFR 351.225(h).

Dated: November 20, 2015.

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Paul Piquado  
Assistant Secretary  
for Enforcement and Compliance

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